

From: "Barbara Kriesel" <barbarak@fccuhouston.org> on 10/12/2007 12:35:01 PM

Subject: Truth in Lending

October 12, 2007

Federal Reserve System
Attn: Jennifer J. Johnson,
Secretary Board of Governors
20th Street and Constitution Avenue N.W.
Washington, DC 20551

Re: Docket No R-1286

Dear Sirs,

I would like to comment on the proposed changes to Regulations Z that is currently being recommended by the Federal Reserve System. Our Credit Union currently offers our members Open Ended Lending, which has been well received. We have taken great efforts to train our staff on the benefits of this program and how our members rely upon us for all their lending needs. If the proposed changes were to go into effect, it could cause a severe disruption in our lending practices. Some things to consider are:

- Our current system has worked well for us for more than 10 years.
- Changing the system would cause considerable disruption of our lending practices which would adversely affect our relationship with our members.
- Our members rely upon us to provide to them the most beneficial lending program and could lose faith in us if we are to suddenly change our lending practices.
- Our members receive comprehensive disclosures that outline how the Open End plan works as well as our staff's educational instruction to them when they sign up. This has worked well for us and our members like how beneficial the plan is for them.
- Should you require changes, this will create much more paperwork and operational changes which will ultimately be felt by our members (i.e. higher rates to help defray the cost of the changes).
- Our staff will need to be reeducated and our members will need to be notified that they can no longer rely upon the Open End plan that they initially signed up for.

In reading all the material that has been sent out for the proposal, it is unclear as to why this change is necessary. Our members have not complained that the Open End Lending Practice has adversely affected them. If anything, we have been told numerous times how easy and convenient we have made it for them to obtain credit with their Primary Financial Institution (the Credit Union). Please do take into consideration our needs and the needs of our members when this proposal is next reviewed and elect to not make changes to Regulation Z .

Sincerely,

Barbara Kriesel

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